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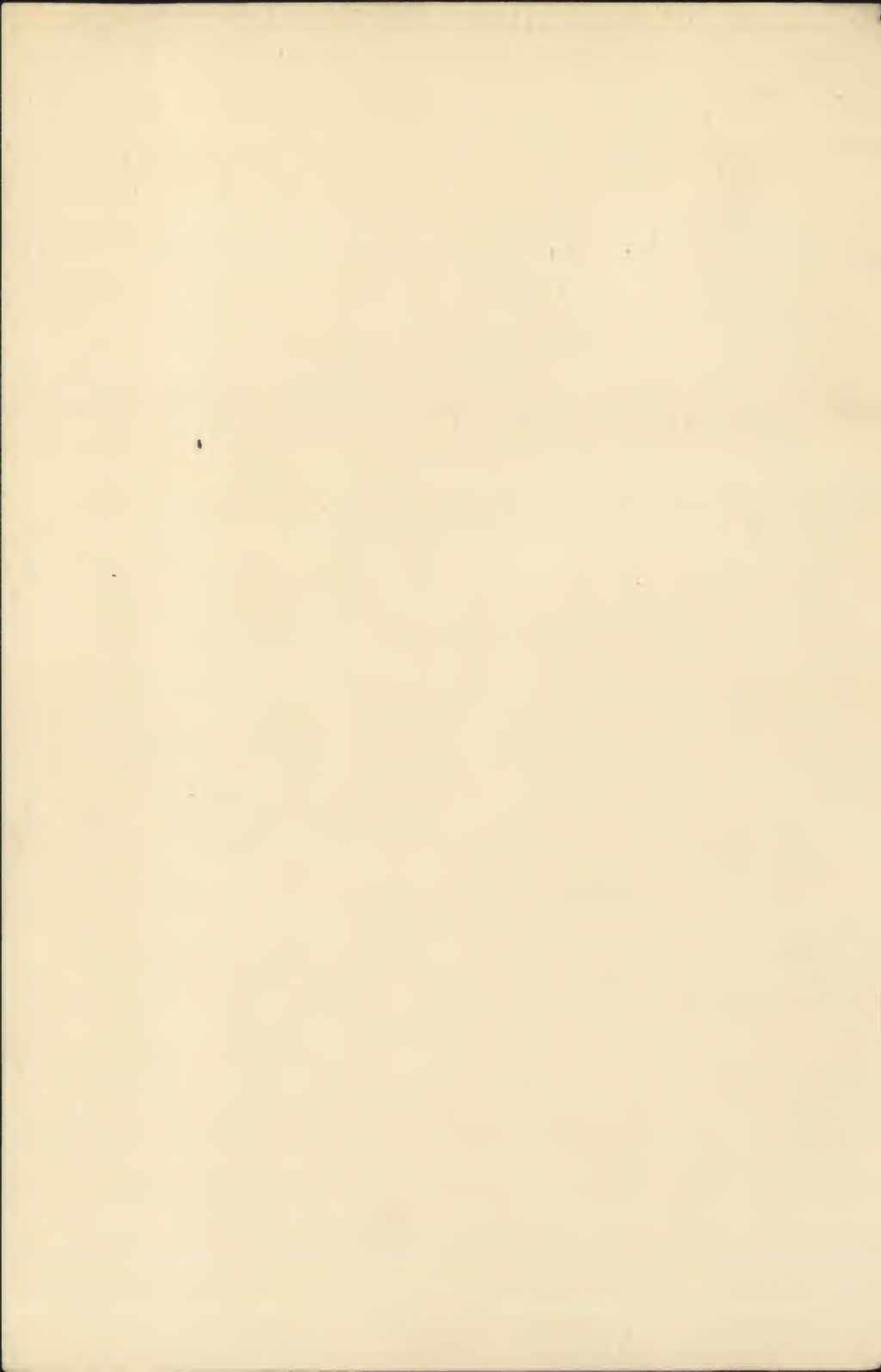
CLEVELAND PUBLIC ACCOUNTING
BUSINESS INFORMATION
~~SUBJECT FILE~~

X

Jewel RETIREMENT Estates

Index of Sf

JEWEL TEA CO., INC.
JEWEL PARK, BARRINGTON, ILL.



Jewel Retirement Estates

A combined savings and profit-sharing plan to reward Jewels more fully and accurately in proportion to their contribution to the continued success of this business.



JEWEL TEA CO., INC.
JEWEL PARK. BARRINGTON, ILL.

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Jewel Tea Co., Inc.

6-26-39
REC'D. IN B. I. D.
Introducing

Jewel Retirement Estates

To The Jewel Organization

We believe that business must be profitable to be successful and that it must be successful if it is to survive. Added to this belief is the basic philosophy of stockholders and directors that what is produced should be shared equitably with those who help to produce it. This belief and this philosophy are both given preeminent expression in Jewel Retirement Estates.

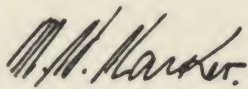
The plan set forth and described in this booklet has been established in your interest and for your benefit but your participation is wholly voluntary and for you alone to decide. It has been established to promote increased individual efficiency, to awaken and reward ambition, to inspire persistence of effort, and more fully and accurately to reward each individual of Jewel in proportion to his contribution to the continued success of the business. It has been established to stimulate interest in systematic saving out of present earnings and to combine these savings with contributions by the company out of profits, all for your future retirement and comfortable independence.

It is my hope that this plan of Jewel Retirement Estates will add consciousness of your responsibility, develop your ownership interest and attitude toward the possibilities of your own job, increase your sense of secure comfort and happiness, and provide the means for developing an even stronger sense of unity and cohesion as it increases the incentive to efficiency and economy in our work. This plan has been developed after years of careful study, and it has

been worked out in the belief that it will provide substantial benefits for those who participate.

Any plan which aims to accomplish so much, and which is expected to live after we are gone, must be safeguarded and protected in its expressions and phraseology. While I think you may accept it wholeheartedly and in good faith, I urge that you read this presentation carefully and completely, studying the plan to satisfy yourself that it is greatly to your interest, and that you feel free to write to me or to the trustees if you have any question about any phase of the plan or its operation.

Jewel Retirement Estates is now an accomplished fact, but it can only attain the maximum of its possibilities, usefulness, and success when every eligible Jewel has become a depositor and a participant in its benefits.



M. H. Karker,
President.

Summary of the Plan

The purpose of the plan for Jewel Retirement Estates is to provide the eligible employees of Jewel Tea Co., Inc. an opportunity to build retirement estates for themselves through the medium of regular savings and by participation in company profits.

The plan is the result of a number of years of study and investigation of both profit-sharing and retirement plans. It is a simple, flexible, understandable plan for sharing profits directly with the employees helping to produce those profits. In addition, it makes possible the accumulation of funds for use after retirement from active service and provides that sense of secure well-being in advanced age which we need for our happiness and comfort.

A complete copy of the trust agreement which creates Jewel Retirement Estates is reproduced in this booklet. Every employee who accepts the terms of this plan by signing the attached card becomes a party to that contract and agrees to be bound by its terms. **IT IS IMPORTANT THEREFORE THAT YOU READ AND FULLY UNDERSTAND ALL THE TERMS OF THE TRUST AGREEMENT** and, once having signed the acceptance card, that you keep this booklet, as it contains your copy of the contract.

To aid you in understanding an agreement, which of necessity is at times complicated and legalistic in its wording, this summary and the questions and answers which follow have been prepared. Every possible precaution has been taken to guard against inaccuracies in this explanation, but if any conflict should develop, the terms of the trust agreement must necessarily govern. While nothing in this summary can be considered as a modification of or an addition to the trust agreement itself, it is hoped that the explanation which follows will give you the general picture and be of material help in making it easier for you to understand and interpret the legal phraseology of the agreement.

EFFECTIVE DATE —

The plan is effective for all eligible Jewel employees January 1, 1939.

JEWEL RETIREMENT ESTATES

ELIGIBILITY —

All full-time employees 21 years of age or over with one year of service are eligible to participate in the plan. Eligible employees need not wait until the first of the year to join but may become participants on the first day following the completion of one year of service with the company. Advance salesmen working full time and all other full-time employees, whether married or single, male or female, and regardless of salary are eligible for the plan except those on the executive payroll.

HOW TO JOIN —

To join the Plan for Jewel Retirement Estates an eligible employee need only sign the acceptance form inside the back cover of this booklet authorizing deductions from his salary. Participation is entirely voluntary. No one is required to join the plan.

EMPLOYEE DEPOSITS —

Minimum—\$1.00 per week; maximum—\$4.00 per week. Employees may deposit \$1.00, \$1.50, \$2.00, \$2.50, \$3.00, \$3.50 or \$4.00 per week. Any one of these amounts may be selected in accordance with the employee's wishes and without respect to any other requirements. The amount of deposit may also be changed within the limits of \$1.00 and \$4.00 per week at any time the employee desires, but not oftener than once every three months.

Once an employee has started to make deposits under the plan, he must continue them for at least 26 weeks. Thereafter he may discontinue his deposits either permanently or temporarily at any time he wishes by giving written notice to the treasurer of the company. He may then resume his deposits or make them up by lump sum payments at any time during the year. An employee may also make all or part of his year's deposits in advance instead of making them weekly, if he desires.

COMPANY CONTRIBUTIONS—

The company will pay under the plan 25% of its net profits each year in excess of cumulative earnings of \$3 per share on the 280,000 shares of common stock now issued, subject to the right reserved to the board of directors to change the basis of contribution. To start the plan off, the company has already placed in trust the sum of \$80,555.90. This sum will be distributed to the credit of those (and those only) who join the plan and start making deposits between January 1, 1939, and July 15, 1939. Only employees in service one full year prior to January 1, 1939, are eligible to participate in this part of the fund.

TRUST FUND—

Both employee deposits and company contributions will be placed in a trust fund for safekeeping and investment. This trust fund will be administered by three trustees—a corporate trustee and two individual trustees. The Continental Illinois National Bank and Trust Company of Chicago (the third largest bank in the United States) has been selected as the corporate trustee and will have custody of all the assets of the trust fund. Once the funds are placed in trust, they can never be returned to the company, and the employee's share may be withdrawn only at the time of retirement, separation from service, death, or permanent disability.

The purpose of the plan is to aid and assist Jewel employees to build retirement estates for comfort and security in their later years, and it is to their advantage that the funds may not be obtained earlier. There is another advantage in that the funds in trust are not attachable or assignable. They may not be borrowed against or pledged for any purpose. They may not be reached by the company or by any other creditors for shortages, indebtedness, or claims of any kind.

DIVISION OF COMPANY CONTRIBUTIONS—

A. Annual Contributions—

The company's contribution each year (25% of excess over \$3.00 per share) will be divided propor-

JEWEL RETIREMENT ESTATES

tionately in two ways among the employees who join the plan:

1. One half of the company's contribution will be divided on the basis of the employee's earnings in relationship to the total earnings of the other employees in the plan. Only earnings during the weeks of deposit will be included.
2. The other half of the company's contribution will be divided on the basis of the employee's deposit in relation to the total of all employees' deposits in the plan during the year.

With minor exceptions, however, employees must make deposits under the plan for at least 26 weeks in any year in order to share in company profits for that year.

B. Company's Initial Contribution —

The company's initial contribution of \$80,555.90 is being made primarily to recognize years of service prior to January 1, 1939. This particular amount will therefore be credited on the basis of years of service rather than on the basis of salary and deposits as is the case of the company's contributions in future years.

Only those employees who have completed one year of service prior to January 1, 1939, AND WHO START MAKING DEPOSITS BEFORE JULY 15, 1939, will receive any initial credit from the \$80,555.90.

PLAN ENTIRELY VOLUNTARY —

This plan is entirely voluntary with the employees and the only requirement is that once they start depositing they must continue for at least the next 26 weeks.

RETIREMENT —

- A. At any time after age 50 an employee may be "retired" at the option of the company.

The purpose of this provision is to preserve the full benefits of the plan to employees leaving the service

in good standing so that they will receive 100% of the balance in their accounts while their normal life expectancy still leaves them years in which to enjoy the estates accumulated. It is in the sole interest of the employees that this provision has been included; the company does not intend to establish age 50 as a retirement age for those who are able, efficient, and willing in their work.

- B. At age 57 an employee may "retire" from service by his own choice and receive his entire share of the trust fund.
- C. At age 65 "retirement" becomes automatic unless employment is continued by agreement between the employee and the company.

DISTRIBUTION OF THE TRUST FUND —

A. "Retirement"

At retirement from service a participating employee receives the entire amount (100%) of his share of the trust fund. For purposes of distribution to those going out of service, the trust fund will be valued by the trustees once every three months, and each employee's share will be based on those quarterly valuations.

B. Permanent Disability or Death

If the employee dies in service or becomes permanently disabled the full portion of his share of the trust fund will be paid to him or his beneficiary the same as in the case of retirement.

C. Separation from Service Prior to Retirement

In case an employee leaves the service before "retirement" he will receive all of HIS OWN DEPOSITS plus a varying percentage of the remaining credits in his account as follows:

JEWEL RETIREMENT ESTATES

Full Years of Deposit Under the Plan —	Percentage of Account Balance over Employee's Own Deposits —
Less than one year	None (only his own deposits)
1 year	3%
2 years	6%
3 "	9%
4 "	12%
5 "	20%
6 "	24%
7 "	28%
8 "	32%
9 "	36%
10 "	40%
11 "	44%
12 "	48%
13 "	52%
14 "	56%
15 "	60%
16 "	64%
17 "	68%
18 "	72%
19 "	76%

Add to the above percentage 1%
for each year of company service
up to and including 10 years.

20 years and over 90%

For example: An employee who has been in service eight years and participating in the plan five years will receive all of his own deposits plus 28% of the balance in his account (20% for his five years on the plan plus 8% for his eight years of company service, making a total of 28%).

Another example: An employee leaving after 15 years of participation will receive all of his own deposits plus 70% of the balance in his account. (60% plus 10% for his 10 years of service, making a total of 70%).

All remaining amounts in the account of the employee leaving service which are not to be paid to him will revert back to the trust fund (not to the company) to be credited proportionately to the "estates" of all remaining employee depositors. JEWEL NEVER RECEIVES BACK A PENNY OF ANY OF THESE FORFEITED AMOUNTS.

JEWEL RETIREMENT ESTATES

FORM AND TIME OF DISTRIBUTION —

At the time of distribution payments from the trust fund may be made either in cash or securities whichever in the trustees' opinion and judgment will be in the best interest of the employee. They may also use the amount due to purchase paid-up insurance or annuities. Also, in the interest and protection of the employee, the trustees may make the payment from the trust in one amount and at one time or they may spread the payments over a period not to exceed five years.

SICKNESS OR LEAVE OF ABSENCE —

In case of an employee's leave of absence due to sickness or other good cause, deposits may be suspended without affecting his status under the plan. In such cases the plan provides that the employee does not have to make deposits for 26 weeks in order to share in the company's contribution for the year.

ABSENCE OF GUARANTEE —

Once the company makes its contribution to the trust fund, it has no further interest in or claim to the funds. Neither does it have any obligation or continuing liability with regard to the funds, since that responsibility rests with the trustees.

While there is no guarantee as to the principal or earnings of the trust fund, it is anticipated that over a period of years the fund will materially exceed the total deposits of participants and it seems reasonable to expect the return of the employee's deposits in full in any event.

CHANGE OR DISCONTINUANCE OF PLAN —

The company hopes to continue the plan indefinitely in order that Jewel employees may build estates on which they can retire in comfort but necessarily reserves the right to increase, decrease, interrupt, or terminate its contributions to the fund. In the event that the company's obligation to make contributions is terminated, the plan will

automatically be discontinued and the employees' full shares will be returned to them as quickly as possible, but in any event within two years.

The plan may be amended by the company with the consent of employees representing 51% of the accumulated employee deposits with respect to any provisions affecting employees' interests or rights.

MISCELLANEOUS PROVISIONS —

The trust instrument in the last part of this booklet contains many added features to safeguard and protect the interest of the participating employees. Provisions for the use of a separate account for each depositor; the method of distributing interest and dividends earned by the fund and of allocating forfeitures; the use of an undivided surplus account; the payment of administration and legal expenses; and many other regulations are included.

The duties, powers, and liability of the trustees, their removal and the appointment of successors, the operation of the trust during the vacancy of one or more trustees are covered in detail in the trust agreement.

The trustees are directed to use their best efforts and judgment to maintain and increase the value of trust assets in terms of what the money will buy, and for that reason, very broad investment powers are given.

It has of course been impossible to cover all of the details of the plan in this summary or to answer all the questions which have doubtless occurred to you. The following questions, answers, and examples have been developed to further aid you in understanding this plan.

Questions and Answers

ELIGIBILITY

1. *Is participation in the plan compulsory?*

No, the plan is entirely voluntary.

2. *What employees are eligible?*

All full time, permanent employees, 21 years of age and over (except those on the executive payroll), are eligible to join the plan after having completed one full year of company service.

3. *Are employees of the food stores department eligible?*

Yes, the provisions of the plan apply equally to ALL employees—except those on the executive payroll.

4. *Are "Saturday boys" and other part-time employees eligible?*

No. However, in considering whether an employee has worked for a full year to determine his eligibility, the date of employment will be considered as being the time when the employee began working three or more days per week.

5. *Are advance salesmen eligible?*

Yes, provided they work full time and fulfill all other requirements.

JOINING THE PLAN

6. *How may I join the plan?*

If you are eligible, you may join by signing the acceptance card in the back of this booklet and by making a deposit in the trust fund.

7. *If I fail to join the plan will it affect my standing with the company?*

No.

8. *When may I join?*

At any time after completion of one full year of company service.

9. *If I have been recently re-employed will my previous employment be considered in determining my eligibility for the plan?*

Yes, the year's service need not be continuous.

10. *Must I join the plan immediately upon becoming eligible?*

No, you may join at any time you so desire after becoming eligible. If you had one year or more of company service on December 31, 1938 you must join before July 15, 1939 in order to participate in the company's initial contribution of \$80,555.90.

EMPLOYEE DEPOSITS

11. *What do I have to pay to participate?*

From \$1.00 to \$4.00 per week. You may select any one of the following amounts to deposit: \$1.00, \$1.50, \$2.00, \$2.50, \$3.00, \$3.50, \$4.00.

12. *May I change the amount of my deposit?*

Yes, within the \$1.00 to \$4.00 limits but not more frequently than once every three months.

13. *How will deposits ordinarily be made?*

By weekly pay deductions.

14. *How else may I make deposits?*

By lump sum payments not to exceed \$208 in any one year, either to make up deposits missed or to prepay deposits.

15. *After joining the plan do I have to continue to make deposits so long as I remain with the company?*

For the first 26 weeks you must make deposits, after which time you may discontinue or suspend your payments to the trust fund either temporarily or permanently.

JEWEL RETIREMENT ESTATES

16. *How may I suspend or discontinue my deposits?*

By written notice to the treasurer of the company.

17. *Having once stopped, may I resume making deposits?*

Yes, at any time by signing a new acceptance card.

18. *How will discontinuance of deposits affect my interests?*

You will lose all or a part of your normal share of company contributions and forfeitures for the years you discontinue deposits.

19. *Must I make deposits if I am away from work because of illness or for other reasons?*

No, the plan provides for the granting of leaves of absence for illness or other good cause during which time no deposits need be made.

20. *What effect will my failure to make deposits have under such circumstances?*

You will not receive any share of company contributions for any week for which a deposit is not made, but you will receive a full share of the earnings of the fund and forfeitures from other accounts.

ANNUAL COMPANY CONTRIBUTIONS

21. *What does the company contribute to the plan?*

The company will pay 25% of its net profits each year in excess of accumulated earnings of \$3.00 per share on 280,000 shares of common stock now issued.

22. *If the company earns less than \$3.00 per share in one year, will the deficiency have to be made up before the company makes further contributions?*

Yes. For example: if the company earned \$2.00 per share one year, it would have to make more than \$4.00 per share the next year before contributing to the fund.

JEWEL RETIREMENT ESTATES

23. *May the company change the amount of its contributions from year to year?*

Yes, but only by amending the plan. The company necessarily reserves the right to increase, decrease, interrupt, or terminate its contributions.

INITIAL COMPANY PAYMENT OF \$80,555.90

24. *Is any recognition given for service rendered prior to January 1, 1939?*

Yes, the company has made an initial payment of \$80,555.90 to the trust fund for the specific purpose of rewarding those employees in service prior one year or more to January 1, 1939.

25. *Who will receive credits from this initial company contribution?*

All employees who have completed one FULL year of service on December 31, 1938, and who accept the terms of this plan and begin making deposits before July 15, 1939, and who remain in employment on that date. However, in the event of retirement, disability, or death prior to July 15, 1939, the employee or his beneficiary will receive his full share of this initial contribution if he has accepted the plan and been making deposits.

26. *How is an employee's share of this initial contribution determined?*

Each eligible employee will receive one share for each FULL year of service completed prior to January 1, 1939.

27. *Is there any advantage in my joining the plan early?*

Yes, particularly if you are entitled to a credit from this initial contribution. In effect this will give you or your beneficiary added insurance immediately in the event of death, disability, or retirement. At the same time you will have an added advantage because the sooner you start your deposits the greater your share of future company contributions will be.

JEWEL RETIREMENT ESTATES

TRUST FUND

28. *What is done with my deposits and the company contributions?*

They are placed in a trust fund for safekeeping and investment.

29. *Who are the trustees?*

There are three trustees consisting of two individuals and one corporate trustee. Continental Illinois National Bank and Trust Company of Chicago has been selected as the corporate trustee and Mr. J. M. Friedlander, treasurer of the company, and Mr. R. D. Sturtevant, a member of the company's Law Department, are the individual trustees.

30. *On what basis was the corporate trustee selected?*

Continental Illinois National Bank and Trust Company of Chicago is the largest bank in Chicago and the third largest in the United States. It was selected because the company believed that it would provide the greatest security and safety for the assets of the trust fund and make available the best investment service obtainable.

CREDITS TO INDIVIDUAL ACCOUNTS

31. *What credits would be made to my account?*

Your own deposits; plus your share of company contributions; plus your share of amounts forfeited by people leaving service before retirement; plus your share of interest, dividends, and any other income of the trust fund.

32. *How will my share of company contributions be determined?*

One-half of future company contributions will be distributed to your account on the basis of your earnings in relationship to the total earnings of all other employees in the plan. However, only earnings during the weeks of deposits will be included. The other half of the company contribution will be divided on the basis of your

deposits in relation to the total of all employee deposits in the plan during the year.

With minor exceptions, however, employees must make deposits under the plan for at least 26 weeks in any year in order to share in company profits for that year.

RETIREMENT

33. *When can I retire?*

At age 57 or after.

34. *When must I retire?*

Retirement is automatic at age 65 unless employment is continued by agreement between you and the company.

35. *May I be retired before age 57?*

At any time after age 50 an employee may be retired at the option of the company. It is in the sole interest of the employees that this provision has been created; the company does not intend to establish age 50 as a retirement age for those who are able, efficient, and willing in their work.

36. *If I do not retire at age 65 may I continue to make deposits?*

Yes, you may but it is not necessary that you do so.

37. *When will retirement benefits be paid?*

Your benefits will be paid to you as shortly after retirement as it is possible to do so, but the trustees have the power in protecting your best interests to distribute payments to you over a period not to exceed five years.

38. *Is it possible for the trustees to purchase an insurance annuity for me instead of paying my account in cash or some other form?*

Yes, the trustees have that power.

TERMINATION OF SERVICE

39. *What happens to the credits in my account which are not paid to me if I leave service before retirement?*

Those credits revert to all other participants in the trust fund and are credited to their accounts at the close of the year. Such sums can never revert to Jewel Tea Co., Inc.

40. *If I leave the service of the company and the plan and am later re-employed, may I again join the plan?*

Yes.

41. *Will my years of service prior to participation in the plan be included in calculating the amount of the payment to me in the event that I leave service prior to retirement?*

Yes, up to the maximum of 10 years.

PERMANENT DISABILITY OR DEATH

42. *If I die before I retire under the plan, what happens to my credits in the fund?*

They will be paid to the beneficiary you have named or to your estate.

43. *If I become permanently disabled in the service of the company will I get my credits immediately or must I wait until the regular age of retirement?*

You will receive the full amount of the credits in your account immediately in the same manner as provided for in case of retirement.

ADMINISTRATION

44. *Who will pay the expense necessary to operate this plan?*

The expense of administration will be paid out of the earnings of and amounts in the trust fund.

45. *Is the plan subject to change or amendment?*

Yes, the plan may be changed at any time by amendment. However, any substantial change, other than one involving the amount of company contributions, must be approved by employees representing 51% of accumulated employee deposits.

46. *If the plan were discontinued what would happen to the fund?*

If the company fails to make contributions to the trust fund and it is decided to discontinue the plan, all funds on deposit must be paid to participating employees as soon as possible but in any event within two years.

MISCELLANEOUS

47. *Will this plan affect my social security payments or benefits?*

No, the estates created will be in addition to social security payments and you and the company both must, therefore, continue to pay the social security tax to the government.

48. *What investment policies must the trustees follow?*

The trustees agree to use their best efforts and judgment to maintain and increase the trust assets in terms of what they will buy. They have broad powers to enable them to do the best possible investment job.

49. *Will the amount I receive be affected by fluctuations in the values of the trust assets?*

Yes, you will receive your proportionate share of the entire net value of the trust fund. If the assets increase in value you will get the benefit and if they decrease you will receive a less amount.

50. *Is there any possibility of not receiving back all of the amounts I deposit in the trust fund?*

While there is no guarantee that you will always receive back all of your own deposits, you must realize that all of the company's contributions in your account as well

I have today, _____, accepted the Jewel Retirement Estates
(Date)
plan, authorized weekly deductions of \$_____ and designated _____
(Fill in amount) (Name)
_____ as my beneficiary.

If this book is lost, finder please return to _____
(Your signature)
Address _____
(Your home address)

Name _____ Branch _____
Last Name First Name Initial

J. R. E. No. _____ Date of Birth _____ Date Employed _____
Leave Blank

All of the above information must be filled in by typewriter by branch or store office.

JEWEL RETIREMENT ESTATES ACCEPTANCE CARD

In consideration of the undertakings of Jewel Tea Co., Inc. and the Trustees as set forth in a Trust Agreement dated December 24, 1938, creating Jewel Retirement Estates, receipt of a copy of which is hereby acknowledged, I hereby approve and accept the terms and conditions of said Trust Agreement and agree to be bound thereby. I further agree to deposit the sum of \$_____ per week in said Trust Fund and authorize Jewel Tea Co., Inc. to deduct this amount each week from compensation due me beginning with week ending _____ 19____.

I designate _____
(Please type or print name of beneficiary)

of _____,
(Please type or print address of beneficiary)

who is my _____, as the beneficiary to whom my interest in
(Relation of beneficiary to you)
the Trust Fund shall be paid in case of my death. I reserve the right to change my beneficiary in such manner as the Trustees shall prescribe.

Witness my hand and seal this _____ day of _____ 19____.
Witness:

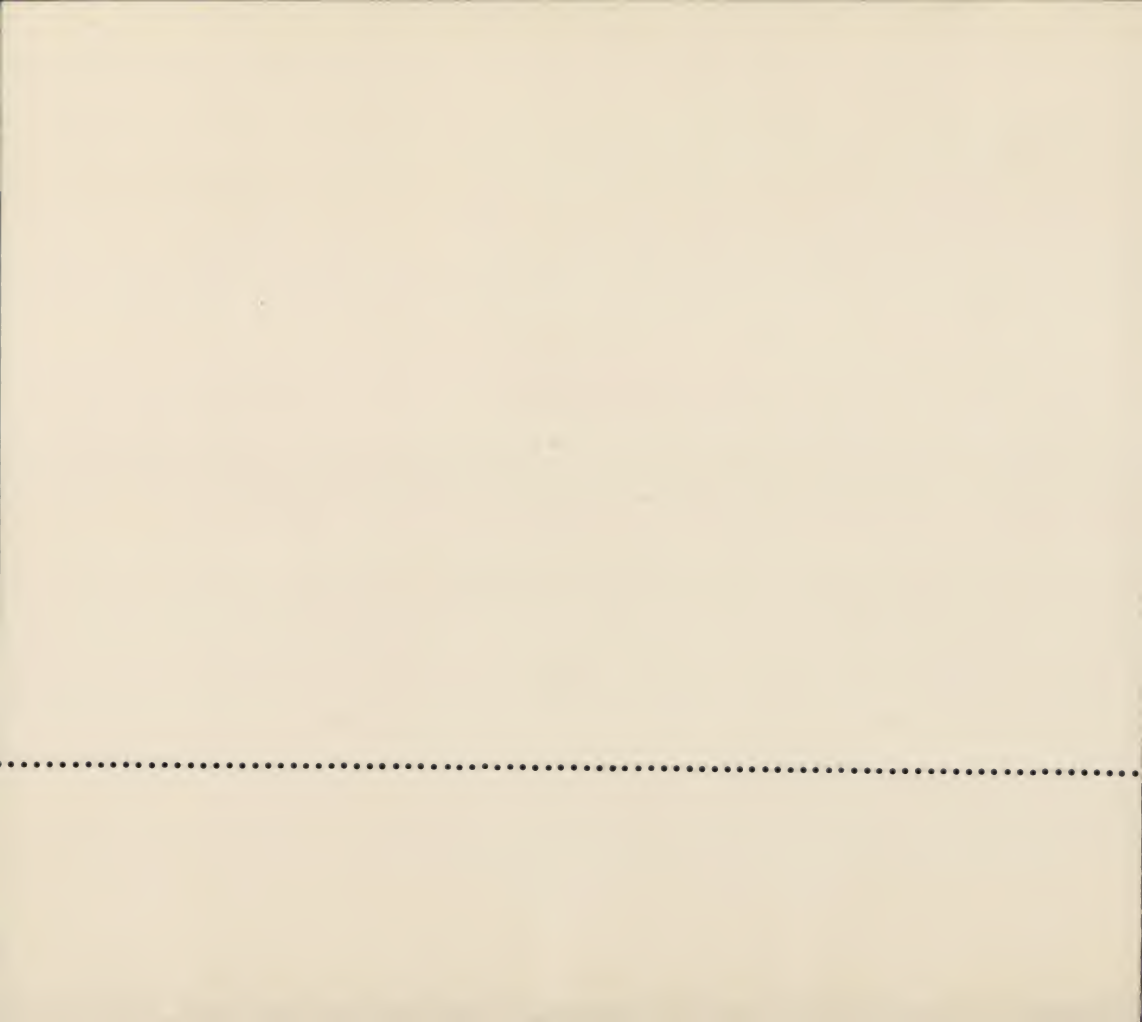
(Seal)

Signature of Witness

Signature of Employee

Home Address
of Employee _____

Approved:



as the other credits from forfeited amounts, interest, and dividends are there to protect your deposits against possible loss.

51. *Will I receive statements showing the status of my account?*

Yes, the trustees will send you a statement each year so that you may know the amount being held in the trust fund for your benefit.

The above questions and answers in no way change or affect the terms of the trust agreement which follows. Every employee is urged to read the full agreement carefully as it alone contains all of the terms of the plan. If any of your questions remain unanswered ask your superior or write to the Company or the trustees.

While the principles of Jewel Retirement Estates are explained as clearly and as completely as possible in the foregoing summary and questions and answers, you are urged to read and fully understand all the terms of the trust agreement which follows. The terms of the trust agreement must necessarily govern in all interpretations of Jewel Retirement Estates.

The Trust Agreement

JEWEL RETIREMENT ESTATES

THIS TRUST AGREEMENT, made this twenty-fourth day of December, 1938, by and among JEWEL TEA CO., INC., a New York corporation, party of the first part (hereinafter called the "Company"); such employees of said Jewel Tea Co., Inc. as shall accept the terms of this Trust Agreement in the manner hereinafter provided, parties of the second part (hereinafter called the "Employees"); and JOSEPH M. FRIEDLANDER of Barrington, Illinois, RICHARD D. STURTEVANT of Barrington, Illinois and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, parties of the third part, (hereinafter called the "Trustees," the said Joseph M. Friedlander and Richard D. Sturtevant being sometimes referred to as the "individual trustees," and the said trust company being sometimes referred to as the "corporate trustee"), WITNESSETH:

WHEREAS, the board of directors of the Company at a meeting held on November 22, 1938 adopted in principle (as an addition to and extension of the Jewel Bonus Re-

tirement Trust plan first adopted by the Company on June 29, 1936) a combined profit sharing and retirement plan for employees, for the purpose of providing an opportunity for the building of retirement estates through employees' own savings and through their sharing in Company earnings and in the earnings and increment of the fund, and at the same time stimulating in them a keener interest in the successful operation of the Company, the details of which plan were established at a subsequent meeting of the board of directors held on December 19, 1938; and

WHEREAS, the Company and the Trustees have come to an agreement under which the Trustees are to take and administer the trust, and it is desired by this trust agreement definitely to state the terms of the trust;

NOW THEREFORE, in consideration of the premises and of the mutual undertakings of the respective parties hereto, it is hereby agreed by and among the parties as follows:

ARTICLE ONE — NAME

The Trust Fund hereby established shall be known and desig-

nated as "Jewel Retirement Estates."

ARTICLE TWO — CREATION OF FUND

Section 1. Initial Contribution by Company. The Company agrees to pay to the Trustees the sum of Eighty Thousand Five Hundred Fifty-five Dollars and Ninety Cents (\$80,555.90) as the initial contribution to the Trust Fund hereby created, receipt of which is hereby acknowledged by the corporate trustee.

Section 2. Annual Company Contributions. Subject to the right reserved by the Company to alter, amend or discontinue the plan (as provided in Article Nine, Section 8), the Company agrees to pay over

to the Trustees for each year, beginning with 1939, a sum equal to twenty-five per cent (25%) of the Company's net earnings as determined by the board of directors of the Company after deductions for all expenses paid or incurred, after all other deductions which the board of directors may see fit to authorize for losses, bad or doubtful accounts, creation of or additions to reserves or contingent funds or for any other purpose, and after further deducting earnings equal to \$3 per share on 280,000 shares of common stock of the Company, for each year beginning after December 31, 1938.

All such payments shall be made by the Company to the Trustees as of the end of its fiscal year, based upon the earnings for that year; provided, however, that the provisions for earnings of \$3 per share shall be cumulative and the Company shall be under no obligation to make any contribution whatsoever to this Trust Fund for any year after a year in which such \$3 per share has not been earned until such deficiency shall have been made up. It is the intention of the Company that the first purpose of such annual company contributions shall be to protect the safe and full return of Employee deposits hereunder.

Section 3. Employee Deposits. Except as herein otherwise provided, each Employee who becomes a participant in the benefits of the Trust Fund by accepting the terms of this agreement shall deposit in the Trust Fund not less than One Dollar (\$1.00) nor more than Four Dollars (\$4.00) per week (in multiples of fifty cents). If weekly deposits by an Employee shall be temporarily discontinued, as authorized in Section 3, Article Three hereunder, such Employee may make up part or all of the deposits missed, through lump sum payments during the same calendar year, or an Employee may make lump sum deposits in order to prepay part or all of his or her weekly deposits for the year. All deductions accumulated by the Company, together with any lump sum deposits

received by the Company, shall be held in trust until paid over to the Trustees at such time as may be convenient to the Company and the Trustees but not less frequently than once every sixteen weeks. Any Employee may increase or decrease the amount of his or her weekly deposit within the one to four dollar per week limits at any time and from time to time, but not oftener than once every three months. The right of employees to make deposits shall in all events cease upon termination of active service with and employment by the Company.

Section 4. Absence of Guaranty of or Interest in Trust Assets. Neither the Trustees nor the Company in any wise guarantee the Trust Fund from loss or depreciation, but the Trustees agree to use their best effort and judgment to accomplish the purposes and objectives of this Trust and to perform to the best of their ability the terms and conditions of this agreement. The Company retains no beneficial or reversionary interest in any contributions or deposits made in the Trust Fund or in any of the assets, profits, earnings or increment thereof, and all Company obligations in any respect, other than supplying information to the Trustees as provided in Section 11 of Article Eight, shall cease upon payment of deposits and contributions to the Trustees. The Company shall be in no way responsible for the acts of the Trustees.

ARTICLE THREE—PARTICIPATION

Section 1. Eligibility. All full time permanent employees (21 years of age and over), exclusive of those on the executive payroll, who have been in the employ of the Company for a period of at least one year prior to January 1, 1939, and who shall in the manner herein provided accept the terms of this Trust Agreement and begin making deposits in the Trust Fund between January 1, 1939 and July 15, 1939, and who shall remain in employ-

ment on July 15, 1939, (except as to any Employee who may have died or have been disabled or retired) shall be entitled to an opening credit from the initial Company contribution (less the amount credited to the Undivided Surplus Account as provided in Article Four, Sections 2 and 6) on the basis of one share for each full year of employment by the Company prior to January 1, 1939, and shall also be eligible to share in the annual

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Company contributions for the year 1939 and for subsequent years, in the net earnings of the Trust Fund, and in the amounts forfeited by other participants whose services with the Company are terminated prior to retirement, all as herein more specifically provided and except as herein otherwise specifically provided.

All other present or future full time permanent employees of the Company (21 years of age and over) exclusive of those on the executive payroll, shall be eligible to participate in the benefits of this Trust Fund upon completion of one full year's service and upon accept-

ing this plan as provided in the next following section, to the same extent as heretofore provided except that they shall not be entitled to any opening credit from the Company's initial contribution.

Participation by eligible employees shall be entirely voluntary.

Section 2. Acceptance. All eligible employees of the Company may participate in the benefits of this plan (effective as of the date of the first deposit), by signing an acceptance card or agreement in substantially the following form, and after making the initial deposit in accordance therewith:

Address:.....

The undersigned employee of Jewel Tea Co., Inc., in consideration of the undertakings of said Company and the Trustees as set forth in a Trust Agreement dated December 24, 1938, creating "Jewel Retirement Estates," receipt of a copy of which said Trust Agreement is hereby acknowledged, does hereby approve and accept the terms and conditions of said Trust Agreement and does agree to be bound thereby. The undersigned further agrees to deposit the sum of \$..... per week in said Trust Fund and authorizes Jewel Tea Co., Inc. to deduct said amount each week from compensation due him beginning with week ending.....

The undersigned hereby designates of his (her) as the beneficiary to whom the undersigned's interest in the Trust Fund shall be paid in case of his (her) death. The right to change beneficiaries in such manner as the Trustees shall prescribe is, however, reserved to the undersigned.

Witness my hand and seal this day of, 19.....

WITNESS:

.....

.....

Employee

Section 3. Discontinuance of Deposits. Any Employee after having accepted the terms of this Trust Agreement as herein provided, and after having made deposits for at least twenty-six weeks, may discontinue such deposits either permanently or temporarily without such discontinuance affecting credits pre-

viously entered to his account. If any Employee (other than one who first accepts the terms of this plan during the last six months of the year and other than one who may be on leave of absence or have been transferred to the executive payroll as provided in Sections 4 and 5 of this Article) shall fail to make de-

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posits for at least six months of any calendar year either by weekly pay deductions or the equivalent by lump sum payments before the close of that calendar year, such Employee shall in no way and to no extent participate in or receive credits from the Company's contribution, or the shares or parts of shares forfeited by other Employees, for the year or years such failure exists, but he or she shall share in the net earnings or net losses of the Trust Fund as herein provided. Any Employee so desiring to discontinue deposits may do so by giving written notice to the Treasurer of the Company, and may resume deposits by signing a new acceptance card such as is provided for in Section 2 of this Article.

Section 4. Transfer to Executive Payroll. If and when any Employee shall be transferred to the executive payroll, his or her right to make further deposits and to share in annual Company contributions shall cease, effective as of the date of such transfer, but his or her share of Jewel Retirement Estates shall be held, nevertheless, and he or she shall be credited or debited with his or her proper share of net earnings or net losses of such Trust Fund and of forfeitures from other Employee accounts as herein provided for all individual accounts, and shall also receive a share of the Company's contribution for the year during which such transfer occurs based on the amount of his or her compensation and deposits during that year up to the time of transfer (as provided in Section 3 of Article Four) and without regard to the requirement of deposits for six months. It is agreed, however, that in the event such Employee becomes eligible for participation in a retirement income plan now or hereafter established for employees on the executive payroll, the Company and such Employee may by appropriate agreement transfer to the trust created as a part of such retirement plan the amount which would be avail-

able for distribution from Jewel Retirement Estates if the Employee had retired as of the date of his transfer and such Employee shall thereafter have no further interest in this Trust Fund.

Section 5. Leave of Absence. Any Employee may, in the discretion of the Company, be granted a leave of absence from active service to the Company, because of military, naval or other governmental service to the United States in time of war, because of temporary disability, or for other good cause. Leave of absence shall continue until the Company gives notice to the Trustees of termination thereof (which may be done at any time and for any reason in the discretion of the Company) or until death of the Employee, or until retirement as provided in Article Five hereof. During the continuance of such leave of absence any such Employee's share of Jewel Retirement Estates shall be held, nevertheless, and he or she shall be credited with his or her proper share of Company contributions based upon his or her compensation for services and deposits during the year, as provided in Article Four, Section Three, but without regard to the requirement that deposits be made for at least six months, and shall also be credited or debited with his or her proper share of net earnings or net losses of the Trust Fund and of forfeitures from other Employee accounts as credited to individual accounts in the manner herein provided. The credit from such forfeitures shall, however, be contingent upon such Employee's return to active employment upon termination of the leave of absence, unless such termination is caused by retirement, death or permanent disability, determined to be such by the Company in its absolute discretion. The provisions of Sections 1 and 3 of Article Six shall be fully applicable to any retirement, death or permanent disability occurring as aforesaid during the continuance of a leave of absence. Any such contingent credit for forfeitures which

shall be lost by failure to return to service shall be credited to the forfeitures account as of the date the Company notifies the Trustees of termination of the leave of absence and shall be pro rated as is provided for other forfeitures during that year. Not every absence from service which may be designated as a

leave of absence by the Company shall be considered as such for purposes of this trust, but only those absences which the Company, in its absolute discretion, shall report to the Trustees in writing as a leave of absence hereunder shall be so classified.

ARTICLE FOUR—ACCOUNTING

Section 1. Separate Accounts. A separate account shall be maintained by the Trustees for each Employee, to which account shall be credited the amounts deposited by each said Employee as they are received by the Trustees from the Company. Each such account shall also be credited with the Employee's proper share of Company contributions, net earnings of the Trust Fund, and forfeitures from other Employees' accounts, and similarly there shall be deducted the proportionate share of any net losses sustained in the administration of the Trust Fund, all as herein specifically provided. All entries to individual accounts may be

made to the nearest dollar and any differences charged or credited to the Undivided Surplus Account, as defined in Section 6 of this Article.

Section 2. Allocation of Initial Company Contribution. As soon as conveniently may be done after July 15, 1939, the Company shall furnish to the Trustees a statement showing the names of all Employees eligible to share in the Company's initial contribution to this Trust Fund, together with all information which will be necessary for the Trustees to compute the proper amount to be credited to each Employee's account on the basis of the following formula:

$$\left. \begin{array}{l} \text{Number of full years worked by} \\ \text{Employee prior to Jan. 1, 1939} \\ \hline \text{Total number of full years} \\ \text{worked prior to Jan. 1, 1939 by} \\ \text{all Employees entitled to share} \\ \text{in Company's initial contribution.} \end{array} \right\} \times \left. \begin{array}{l} \$80,555.90 \\ \text{(less \$5,000 there-} \\ \text{of to be credited} \\ \text{to the Undivided} \\ \text{Surplus Account)} \end{array} \right\} = \text{Employee's Credit}$$

Except for purposes of making this initial credit to individual accounts, there shall be no segregation or separate treatment either of assets or credits attributable to the Company's initial contribution.

Section 3. Allocation of Annual Company Contributions. Except as to those portions credited to the Undivided Surplus Account as herein provided, all annual Company contributions shall be allocated by the Trustees and the proper share thereof credited to each Employee's account as soon as conveniently may be done after receipt thereof by the Trustees

from the Company. Such allocation shall be made in such manner that each Employee having made deposits during the year (except those excluded under Section 3 of Article Three hereof) shall be credited with such per cent of one half of the whole Company contribution for that year as his individual deposits for that same year bear to total deposits for that year by Employees entitled to share in said Company contribution, and with such per cent of the other half of the whole Company contribution as his compensation for services during the period of such deposits bears

to the total of such compensation of all Employees entitled to share in said Company contribution.

Section 4. Net Earnings and Allocation Thereof. As soon as conveniently may be done after the close of each calendar year, the Trustees shall determine the net earnings (or net loss) of the Trust Fund for that calendar year by adding together all interest, dividends, profits resulting from the sale or redemption of securities or other assets at a price or prices exceeding the cost thereof, and income from all other sources received by the Trustees during that year, and deducting therefrom all taxes, charges or expenses properly incurred in the management or administration of the Trust Fund, and any realized losses which may have been sustained with respect to securities or other assets through sale or otherwise during that year, and further deducting any sum transferred from earnings to the Undivided Surplus Account as provided in Section 6 of this Article. In determining net earnings or net losses a cash rather than an accrual method may be used. The said net earnings shall be pro rated and credited to each Employee's account, as of December 31 of the year just closed, on the basis of the ratio of the average of the opening and closing balances for the year in each such account to the total of the averages of the opening and closing balances in all Employees' accounts for that year. Any net loss, as above determined, shall in the discretion of the Trustees be charged either against the Undistributed Surplus Account or proportionally deducted from each Employee's account on the same ratio as is herein provided for crediting net earnings. Wherever the terms "net earnings" or "net losses" of the Trust Fund are used in this instrument they shall be construed to mean the same as determined in accordance with the first sentence of this section.

Section 5. Allocation of For-

feitures. Credits to Employees' accounts which shall be forfeited, as herein provided, shall be accumulated during each calendar year and at the close thereof all of the accumulated forfeitures shall be pro rated and credited to the remaining Employees' accounts (except those not entitled to share therein as elsewhere provided in this agreement) in the same way as provided in Section 4 hereof for the allocation of net earnings.

Section 6. Undivided Surplus Account. The Trustees, in their discretion, in order to establish and maintain an Undistributed Surplus Account for all purposes of this trust, may deduct from annual Company contributions, and not immediately credit individual accounts therewith, an amount or amounts not exceeding ten per cent (10%) of such contributions and may also credit to such Undivided Surplus Account such share of earnings of the Trust Fund as the Trustees may determine. This account is created primarily for accounting purposes and the parties do not intend that its existence shall require any segregation or separate treatment of any of the assets of the Trust Fund. Except as herein otherwise specifically provided, the amount, management, control and use of the Undivided Surplus Account shall in all respects be subject to the discretion of the Trustees.

Section 7. Annual Valuation of Assets and Adjustment of Employee Accounts. After the close of each calendar year and after the pro rata shares of net earnings or net losses and of forfeitures have been entered to each Employee's account as herein provided, the total amount of all Employee accounts as of December 31 each year shall be determined and compared with the total value of all assets in the Trust Fund as of the same date, such valuation to be at market values as determined by the Trustees. If that total value of all trust assets shall be less than the

total amount of all Employee accounts plus the Undivided Surplus Account, the Trustees may, in their discretion, make an adjusting deduction from each Employee's account, based on the ratio of each Employee's account balance as of December 31, to the total of all Employees' account balances as of the same date.

If such deficiency in the value of all trust assets be greater than the total of the Undivided Surplus Account, then the Trustees must make such adjusting deduction from each Employee's account. The total amount of any such adjusting de-

ductions shall be determined by the Trustees in their absolute discretion subject only to the limitation that deductions shall be at least sufficient to reduce the total of all Employees' accounts so that such total shall no longer exceed the value of all trust assets, and may be in such greater amount as the Trustees deem advisable to recreate or rebuild the Undivided Surplus Account. The total amount so determined shall be pro rated to each Employee account on the basis of the per cent each such account balance, as of December 31, bears to total Employee accounts as of the same date.

ARTICLE FIVE—RETIREMENT

Section 1. Retirement by Company Choice. At any time after any participating Employee (which as used in this Article shall include Employees on leave of absence as provided in Section 5 of Article Three) reaches the age of fifty (50) years he may, at the option of the Company be retired and become entitled to distributions as provided in Article Six hereof. Termination of employment by the Company for any reason, except for dishonesty, moral turpitude or other substantial cause, after age fifty shall be considered retirement for purposes of this trust.

The purpose of this section is to preserve the full benefits of this plan to all employees leaving the service of the Company, in good standing and at its option, after attaining age fifty and while their normal life expectancy leaves them years in which to enjoy the estates accumulated. This provision is in

the sole interest of the employees and the Company does not intend to establish age fifty as a retirement age for those willing, able and efficient in their work.

Section 2. Retirement by Employee Choice. Any participating Employee, at any time after having reached the age of fifty-seven (57) years, may at his or her option retire from the service of the Company and become entitled to distributions as provided in Article Six hereof.

Section 3. Automatic Retirement. Any participating Employee upon reaching the age of sixty-five (65) years shall automatically be retired unless for special reasons the Company wishes to continue such Employee in its service and he or she shall consent thereto. Upon such automatic retirement the Employee shall be entitled to distributions as provided in Article Six hereof.

ARTICLE SIX—DISTRIBUTIONS

Section 1. Retirement. Whenever an Employee shall retire or be retired by the Company as provided in Article Five hereof, the Company shall give the Trustees notice thereof and shall pay over to the Trustees, as soon as conveniently can be done, the amount of any deposits

for the account of the said retiring Employee accumulated by the Company and not previously paid over to the Trustees. The Trustees shall thereupon compute the amount to be distributed to such retiring Employee as follows:

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- (a) Compute a percentage to be known as the Distribution Per Cent by dividing the balance in the retiring Employee's account as of the last day of the immediately preceding March, June, September or December, whichever is the closest, by the total of all Employee account balances as of the same date.
- (b) Determine the total value of all assets in the Trust Fund as of the same date on the basis of market values as determined by the Trustees.
- (c) Multiply the Distribution Per Cent as determined in (a) above by the total value of all assets as determined in (b) above.
- (d) Add to the total amount determined under (c) above all of the Employee's deposits since the aforesaid quarter end, and the total amount so computed shall be the Employee's distributive share except for a final adjustment, if any, as provided in (e) immediately following.
- (e) In the event the retiring Employee shall have made deposits for six months or more of any year for which the Company contribution has not been credited to the retiring Employee's account as of the aforesaid quarter end, the amount available for distribution to the retiring Employee shall not be finally determined until such Company contribution has been

received and the pro rata share thereof, determined as provided in Section 3 of Article Four, shall be added to the Employee's distributive share as determined in (d) above. The Trustees may, but shall not be required to, defer distributions until this final credit, if any, shall be determined.

The total amount so computed shall be distributed to the retiring Employee in the manner and at the time or times provided in Sections 4 and 5 of this Article.

Section 2. Resignation or Dismissal. In the event an Employee resigns, or is dismissed, or leave of absence is terminated by the Company other than by reason of death or permanent disability, prior to retirement and before having made deposits of \$1 per week, or more, for at least fifty-two weeks, such Employee shall be repaid only the total amount deposited by him or her in the Trust Fund.

If such resignation, dismissal, or termination of leave of absence occurs prior to retirement but after having made such deposits for at least fifty-two weeks, the Trustees shall make the same computations as are provided in Section 1 of this Article Six. The amount to be distributed in such case, however, shall be the total of all such Employee's own deposits plus the portion shown below of the additional amount which would have been available for distribution had the Employee been retired as of the date of termination of employment:

Completed Years of Deposit and Participation

Portion

1 to 4 years, inclusive.....	3% for each year
5 to 19 years, inclusive.....	4% for each year beginning with the first.

Plus 1% increase of the total percentage as above for each full year of Company service up to a maximum of ten years.

20 years and over.....	90% of the total
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The excess of the said Employee's account over such payments shall be forfeited by such resigning or dismissed Employee and shall be allocated to the remaining Employees' accounts as provided in Section 5 of Article Four.

Section 3. Death or Disability. If an Employee, prior to retirement, dies or becomes permanently disabled to such extent that his or her employment must be terminated (the Company's judgment as to such disability shall be conclusive and binding on all parties), the total amount of credit in his or her account shall be determined in the same manner as if such Employee were being retired as of the date of death or as of the date the Company, in its judgment, determines that the Employee became permanently disabled. The total amount of such credit shall be paid to the Employee in case of such disability, and in the case of death to the Employee's designated beneficiary or to his or her legal representatives.

Any participating Employee may designate as his or her beneficiary, in case of death, the person or persons to whom his or her share of the Trust Fund shall be paid, such designation to be in writing on the acceptance agreement or in such other form as may be required by the Trustees. Where such designation has been properly made, distribution of the deceased Employee's share of the Trust Fund shall be made direct to such beneficiary or beneficiaries. The beneficiary or beneficiaries so designated may be changed at any time and from time to time, at the election of the Employee, but only by his filing of a new designation, and revoking all prior designations. In the event no such designation of beneficiary is filed or in the event the designated beneficiary shall predecease the Employee, the share of such deceased Employee shall be paid to his or her heirs as determined by the

Trustees, or to his or her executor or administrator.

Any payment made in accordance with this section shall fully acquit and discharge the Trustees from all further liability on account thereof.

Section 4. Medium of Distributions. All distributions from the Trust Fund may, in the discretion of the Trustees, be made in whole or in part in cash or in listed securities valued at market at the time of distribution; or the Trustees may, in their discretion in the case of retirement or disability distributions, use the proceeds to purchase paid up retirement income insurance or annuities for the use and benefit of the Employee in companies selected or approved by the Trustees.

Section 5. Time of Distributions. If the amount of money or the market value of the property to be distributed as heretofore provided shall not exceed \$2,500, the full amount may and ordinarily shall be distributed as soon as conveniently can be done. If said value does exceed \$2,500, the Trustees may, in their discretion, distribute the full amount thereof as soon as conveniently can be done or spread such distribution over a period of not to exceed five years. Any deferred distributions may be made at such times and in such proportions as the Trustees may determine.

Following determination of any Employee's distributive share upon retirement or disability, as provided in this Article, the amount so determined as available for distribution, plus simple interest at the rate of 2% per annum from the date of such retirement or disability, shall be and remain a fixed obligation of the trust and shall not be increased or decreased as a result of net earnings, net losses, forfeitures or other things affecting the shares of Employees prior to termination of employment.

ARTICLE SEVEN—INVESTMENTS

Section 1. Maintenance of Purchasing Power Objective. It is understood and agreed by the parties that the trust assets may be invested with the view to earning a reasonable return therefrom, but more particularly the Trustees shall, in the investing and reinvesting of trust assets, use their best efforts and judgment to maintain and increase the purchasing power of the trust assets rather than merely to maintain their dollar value; and that such maintenance and increase of purchasing power shall be the first purpose of the Trustees, and the regularity and amount of income the second purpose of the Trustees. In order to accomplish this purpose, and in order that the Trustees may have powers sufficiently flexible to permit them to protect the trust against circumstances which might affect the purchasing power of the trust assets, it is recognized that the Trustees should have broad discretionary powers with regard to the investing and reinvesting of trust assets, and that the Trustees should be granted broad immunity from liability for losses resulting from the making of investments so that the usual constraints as to the investing of trust fund assets may not stand in the way of the exercise of such discretion. It is further agreed that in order that the objective of maintenance and increase of purchasing power may be best accomplished, the Trustees are hereby granted full power and authority to hold cash uninvested at any time and from time to time and in such amount or to such extent as the Trustees may in their uncontrolled discretion and judgment deem advisable, and the Trustees shall be in no way and to no extent liable for any loss or losses which may directly or indirectly result from exercising this power to hold cash uninvested.

Section 2. Specific Investment Powers. In conformity with the principles expressed in Section 1

of this Article, the Trustees are hereby granted full power and authority to invest and reinvest the trust assets, or any part thereof, in any stocks (common or preferred), evidences of ownership in so-called Massachusetts Trusts, bonds, mortgages, notes or other securities, or commodities or property of any kind or nature whatsoever, real, personal or mixed, in the Trustees' absolute discretion, without regard to any rule of law or statute designating investments eligible for trust funds and without respect to any custom or practice either as to types of investments or diversification of investments, and to hold cash uninvested at any time and from time to time in such amount and to such extent as the Trustees in their uncontrolled discretion and judgment deem advisable.

The Trustees are expressly authorized, empowered and directed to review and analyze the trust investments at such times as seem advisable with the view to changing individual investments or the general character of the investments, or part of them, to conform to varying circumstances and conditions, or possible future changes in circumstances and conditions, all if and to the extent that the Trustees, in their absolute discretion, deem advisable to accomplish the purposes set forth in Section 1 hereof.

The Trustees are further authorized and empowered to sell, assign, exchange or transfer investments made and to reinvest the proceeds thereof, and to receive, hold, invest and reinvest the income from and the increment of the fund.

Section 3. Liability of Trustees. In the exercise of the broad discretionary powers herein granted and in the Trustees' efforts to accomplish the purposes herein set forth, it is the intention of the parties, and it is agreed by them, that the Trustees may act solely upon their own best judgment and with-

out liability for errors of judgment and with complete immunity from liability for depreciation or losses of trust assets and for failure of such assets to produce any or

greater earnings, interest or profits, so long as said Trustees act in good faith and are not grossly negligent in the making or keeping of investments or other assets.

ARTICLE EIGHT—ADMINISTRATION

Section 1. Rules and Regulations. The Trustees may adopt such rules and regulations with regard to the administration of the trust as are consistent with the terms of this instrument, and shall keep adequate record of their proceedings and acts.

Section 2. Title to and Custody of Assets. Title to all trust assets shall be and remain in the Trustees, but the corporate trustee shall have the custody and care of such assets, which may be registered in the name of the corporate trustee without qualification or description, or in its name as trustee hereunder, or in the name of a nominee or nominees without qualification or description. The corporate trustee may also keep any such assets unregistered or in such condition that they will pass by delivery. No Employee shall have any right, title or claim in or to any specific assets in the Trust Fund but shall have only a proportionate interest in the whole fund.

Section 3. Clerical Work, Reports, etc. The corporate trustee shall act alone for the Trustees in all matters requiring ministerial acts only; shall do all clerical work, make all computations, and keep adequate records and accounts, which shall be open at all reasonable times to the inspection of the two individual trustees, the participating Employees, or to any authorized agent of the Company; and shall make annual reports to each Employee showing the status of his or her account in the Trust Fund, and to the Company in such form as shall be agreed upon between the Company and the corporate trustee.

Section 4. Exercise of Discretionary Powers and Duties. As to

all things requiring the exercise of discretion by the Trustees, action shall be taken upon the agreement or direction of at least two of the three Trustees. It is expressly understood and agreed that no trust assets shall be invested or reinvested, sold, assigned, exchanged or transferred except after at least two of the Trustees shall have in writing indicated their approval of such action. Notice of any action taken by the Trustees relating to investments, which action shall not have the written approval of all three Trustees, shall be immediately given to the remaining Trustee and if such remaining Trustee be an individual he shall thereupon, and within ten days after actual personal receipt of such notice, register approval or disapproval of the action taken by the majority and shall forward copies of such approval or disapproval to the other two Trustees, and if such remaining Trustee be the corporate trustee it shall register approval or disapproval of the action taken by the majority before performing the ministerial acts necessary to carry out the decision of the majority and shall forward copies of such approval or disapproval to the two individual trustees. Failure to so register approval or disapproval shall be deemed an approval of the action of the majority as conclusively as if positive approval had been given.

Section 5. Successor Corporate Trustee. In the event that Continental Illinois National Bank and Trust Company of Chicago or any successor corporate trustee shall, at any time while continuing as Trustee or Advisor (as provided in Section 10 of this Article) be merged or consolidated with or shall sell or transfer substantially all of its assets and business to another cor-

poration, state or federal, or shall be in any manner reorganized or reincorporated, then the corporation resulting from such merger, consolidation, reorganization or reincorporation, or the corporation to which such sale or transfer shall be made, shall thereupon become and be a trustee or Advisor hereunder without the execution of any instrument and without any further action on the part of the Company, the Employees or the Trustees hereunder.

Section 6. Resignation or Removal of Corporate Trustee. The corporate trustee then acting hereunder may resign at any time by giving at least two months' prior written notice of such resignation to the individual trustees then acting hereunder. The individual trustees at any time acting hereunder shall have the power at any time and from time to time, by a written instrument signed by them, to remove the corporate trustee then acting hereunder. In the event of the resignation, removal or inability to act of the corporate trustee at any time, the individual trustees then acting hereunder shall have the power, by a written instrument signed by them, to appoint as successor corporate trustee hereunder any bank or trust company wherever situated having a capital and surplus of not less than Two Million Dollars. Upon such appointment of such successor corporate trustee, the retiring corporate trustee shall convey, assign, and deliver to such successor corporate trustee all property then held in trust hereunder together with current records and individual accounts and the receipt of such successor corporate trustee shall be a full and complete acquittance and discharge to such retiring trustee.

Section 7. Resignation or Removal of Individual Trustees. Any individual trustee then acting hereunder may resign at any time by a written instrument signed by him and delivered to the then chairman of the board of directors of the

Company; and the then chairman of the board of directors of the Company shall have the power at any time and from time to time, by written instrument signed by him, (an executed copy of which shall be delivered to the trustee being removed and to each of the other trustees) to remove the individual trustees or either of them. Upon the death, resignation, removal, refusal or incapacity to act of any individual trustee hereunder, the then chairman of the board of directors, or such other person as may be authorized by the board, may by an instrument in writing appoint as successor individual trustee hereunder, to fill such vacancy, any competent person desired, and an executed copy of such appointment shall be delivered to each of the remaining trustees. In the event there should be a vacancy in the office of chairman of the board of directors or if the office should be abolished, the then president of the Company or, in the event of his failure to act, the board of directors shall take the place of the chairman for purposes of this section.

Section 8. Employees' Request for Removal of Trustees. Employees representing twenty per cent (20%) or more in numbers of those participating in this plan may at any time and from time to time request the board of directors to remove the Trustees, or any of them, or to change the number or character of the Trustees, and may make such recommendations as to successor trustees as they may desire. Upon receipt of any such request or recommendation, the board of directors, in its sole discretion, is empowered to take any action necessary to give effect thereto.

Section 9. Vacancies. It is the intention of the parties that as far as practicable, and except as is otherwise provided in Section 10 of this Article, there shall at all times be two individual trustees and one corporate trustee acting hereunder; but during any vacancy in the office of trustee hereunder,

irrespective of how long such vacancy shall continue, the remaining trustee or trustees hereunder shall have and exercise all the powers, authorities and discretions given herein to all the trustees.

Section 10. Joint Resignation of Trustees. If and as often as the Trustees then acting hereunder shall deem such action to be advantageous to the trust estate, they may, by an instrument in writing signed by them, jointly resign as Trustees hereunder and may appoint as sole successor trustee hereunder any bank or trust company situated anywhere in the United States outside of the State of Illinois, or in the Dominion of Canada, having a capital and surplus of not less than Two Million Dollars. Every such successor trustee hereunder appointed pursuant to this paragraph shall have as to the trust assets received by it all the titles, rights, powers, authorities and discretion of the original trustees, but shall exercise the same under the supervision and in accordance with the directions of the retiring trustees, who shall act as Advisors to every such successor trustee. Such Advisors may in their discretion, at any time, remove any such successor trustee hereunder by an instrument in writing signed by them and delivered to such successor trustee. Upon the removal or resignation of any such successor trustee, the Advisors may reappoint themselves as trustees hereunder or may continue to act as Advisors and appoint some other bank or trust company situated anywhere in the United States outside of the State of Illinois, or in the Dominion of Canada, having a capital and surplus of not less than Two Million Dollars, as sole successor trustee hereunder. If the Advisors shall reappoint themselves as trustees hereunder they shall thereupon have all the titles, rights, powers, authorities and discretions which they formerly had as such trustees. The corporate Advisor shall be entitled to reasonable compensation from the trust estate for its services as

such. The Advisor or Advisors may resign or be removed in a manner corresponding to that set forth in Sections 6 and 7 of this Article relating to Trustees, all of the provisions of which shall apply to the Advisors after the joint resignation of the Trustees pursuant to this section.

Section 11. Determination of Rights, etc. The Trustees shall be under no obligation whatsoever to determine whether or not deposits or contributions delivered to them, or any of them, hereunder, comply with the provisions of this agreement relating to the creation of such deposits or contributions, and are obligated only to receive and administer the same pursuant to the terms hereof. It shall be the obligation of the Company to notify the Trustees in writing of all facts which may be necessary in order to determine the proper pro rating of Company contributions, net earnings, net losses and forfeitures, and in order to determine the basis upon which distributions of any kind are to be made including length of service, compensation for services, dates of Employees deposits, dates of death, permanent disability, granting or terminating of leave of absence, dates and status of Employees upon transfers to the executive payroll, termination of employment whether by resignation, discharge, death, disability or retirement, to the extent that the same may be necessary for the Trustees to fulfill the terms of this agreement. The Trustees are hereby authorized to act solely upon the basis of such notification and facts received from the Company and to rely upon any document or signature believed by them to be genuine.

Section 12. Litigation Expenses. In case of any suit or proceeding regarding this agreement, to which the Trustees, or any of them, may be parties or a party, said Trustees shall have a lien upon the Trust Fund for any and all costs, attorney's fees and solicitor's fees, whether such attorneys or solicitors

shall be regularly retained or specifically employed by the said Trustees, or any of them, and for other expenses which they or any of them may have incurred, or become liable for, on account thereof, or on account of any other administration of this trust, and they or any of them shall be entitled to reimburse themselves, himself or itself for any of said expenses out of the Trust Fund. In order to protect the funds of participating Employees against depletion as a result of ill advised litigation, it is

agreed that in the event any Employee brings legal action against the Trustees, or any of them, the result of which shall be adverse to the party bringing suit, the cost to the Trustee or Trustees of defending such suit shall be charged, to such extent as is possible, directly to the account of the said Employee and only the excess, if any, of such costs over and above the Employee's separate share of the Trust Fund shall be included in expenses in determining net earnings or net losses of the Trust Fund.

ARTICLE NINE — MISCELLANEOUS

Section 1. General Powers of Trustees. Subject to the provisions and limitations herein expressly set forth, the Trustees shall have, in general, the power to do and perform any and all acts and things in relation to this Trust Fund in the same manner and to the same extent as an individual might or could do with respect to his own property. No enumeration of specific powers herein made shall be construed as a limitation upon the foregoing general power, nor shall any of the powers herein conferred upon the Trustees be exhausted by the use thereof, but each shall be continuing.

The Trustees shall further have the power to participate in or consent to any plan or proceeding for protecting or enforcing any right, obligation or interest arising from any stock, bond, note or security held in the trust fund or for the reorganization, consolidation, merger or adjustment of the finances of any corporation, company or association issuing the same, to accept in lieu thereof any new or substituted stocks, bonds, notes or securities whether of the same or a different kind or class, or with different priorities, rights or privileges, to pay any assessment or any expense incident thereto and to do any act or exercise any power with reference to any stocks, bonds, notes or securities that is or may be legally exercised by any person

owning similar property in his own right, including the exercise of options, deposit of securities, entrance into voting trusts and making of agreements or subscriptions, and to do any other act or thing which they may deem necessary or advisable in connection therewith.

Section 2. General Liability of Trustees. No Trustee hereunder shall be liable for any act or default of any co-trustee or predecessor trustee, nor for any loss sustained by the Trust Fund, by the Company or by any participating Employee, except such as may result from his own gross negligence or willful default. It is further understood and agreed that in any case where action is taken upon the agreement or direction of two trustees and the third trustee shall have, in the manner herein prescribed, recorded his disapproval of the action of the majority, the said dissenting trustee shall be in no way and to no extent liable or accountable for the action of the majority and this immunity from liability shall exist even though said dissenting trustee may be the corporate trustee and shall, as custodian of the trust assets, perform the ministerial acts necessary to carry out the decision of the majority.

Section 3. Exercise of Discretionary Powers Binding. Every election, determination or other exercise by the Trustees of any discretion vested, either expressly

or by implication, in them pursuant to this Trust Agreement, whether made upon a question actually raised, or implied, in connection with their acts and proceedings, shall be conclusive and binding upon all parties directly or indirectly affected, without restriction, however, on the right of the Trustees to reconsider and redetermine such actions.

Section 4. Expenses of Administration. The Trustees shall have the power to pay from trust assets all reasonable and necessary expenses or charges, including the Trustees' reasonable charges for services as agreed upon between the Company and the Trustees and fees for attorneys and agents, incurred in connection with the administration or operation of this Trust Fund.

Section 5. Employees' Interest in Trust Assets. Prior to the distribution dates specified or the times when payments are made in conformity with the provisions of Article Six hereof, the Employees, their beneficiaries or legal representatives, shall receive no cash or other thing of present exchangeable value either from the Company or from the Trustees on account of or as a result of the Trust Fund created. All legal or equitable rights in and to said Trust Fund which may vest in the said Employees, their beneficiaries or legal representatives, shall be unassignable and non transferable for any purpose whatsoever, and such rights shall be wholly inalienable. Neither shall they, or any of them, have any right to receive the principal or the earnings of the Trust Fund except at the times and in accordance with the terms hereof, and none of them shall have any right to pledge, hypothecate, or anticipate, or in any way create a lien upon any part of the Trust Fund hereby created, nor shall they or any of them have any right to control the use or disposition of the Trust Fund or any part thereof.

Distributions to Employees, their beneficiaries or legal representatives, excepting minors and persons under legal disability, shall be made only to them and upon their personal receipts or endorsements, and no interest in the Trust Fund, or any part thereof, shall be assignable in anticipation of payment, either by voluntary or involuntary act or by operation of law, or be liable in any way for such Employees' debts or defaults, whether to the Company or to others. Any effort to exercise the powers herein denied shall be ineffective and shall not be recognized by the Trustees.

Section 6. Distribution to Minors, etc. In the event that any portion of the trust assets becomes distributable under the terms hereof, to a minor or person under legal disability, the Trustees may make such distributions in any one or more of the following ways: (a) directly to said beneficiary; (b) to the legal guardian or conservator of said beneficiary; or (c) by themselves expending the same for the education and maintenance of said beneficiary. Except as to (c) immediately above, the Trustees shall not be required to see to the application of any such distributions so made to any of said persons, but his or their receipts therefor shall be a full discharge for the Trustees.

Section 7. Employees' Trust. It is understood by the parties hereto that the Company intends this trust to be an Employees' Trust under the provisions of Section 165 of the Federal Revenue Act of 1938, or any similar provision of subsequent Revenue Acts, as "A trust created by an employer as a part of a stock bonus, pension, or profit sharing plan for the exclusive benefit of some or all of his employees . . ." The Trustees shall file information returns with the federal government showing the earnings of the trust and further showing that exemption from tax is claimed for

the trust under the aforesaid provision of the revenue act.

Section 8. Amendment. This Trust Agreement may be amended at any time and from time to time by an instrument in writing as follows: (a) by the Company with the approval of Employees representing not less than fifty-one per cent (51%) of the total amount deposited by Employees as of the thirty-first day of December next preceding, as to any provision involving the rights of Employees in and to any Company contributions for any year after the one in which such amendment may be approved, as to the sharing of net earnings, net losses, forfeitures or expenses of administration, or as to any other provision not herein expressly covered where the substantive rights of the Employees may be involved, (b) by the Company alone as to any increase, decrease, interruption or termination of Company contributions, or as to any change in the method of determining such contributions to the Trust Fund, but any such change shall affect contributions for the current and for future years only and shall not affect the Company's contributions for prior years; and (c) by the Company and the then acting Trustees as to any provision involving administration, accounting procedures, or other thing not affecting Company contributions or Employees' substantive rights. The Company alone is also authorized and empowered to amend this Trust Agreement through action by its board of directors in such manner as may seem necessary and ad-

visable in order that this profit sharing and retirement plan may be brought into conformity with and qualify for any advantages available under future legislation relating to plans of this or similar nature. In the event any amendment shall permanently terminate the Company's obligation to make contributions to the Trust Fund (notice of which shall be given to the Trustees and the Employees in writing), no further deposits shall be made by Employees, and the Trustees shall distribute to each Employee his or her share of the whole fund, including the Undivided Surplus Account, on the ratio of his or her account balance to the total of all Employee account balances, whereupon this trust shall finally and completely terminate. Any such final distribution shall be made by the Trustees as soon as can conveniently and advantageously be done but in no event shall the Trustees delay final distribution for a period of more than two years after receipt of notice of termination as above provided.

Section 9. Successors. This Trust Agreement shall be binding upon all Employees who shall become parties hereto in the manner herein provided, their heirs, executors and administrators, upon the Company, its successors and assigns, and upon the Trustees and their successors.

Section 10. Headings. Article and Section headings are supplied in this Trust Agreement for convenience only and shall be given no legal effect.

ARTICLE TEN — DEFINITIONS

Section 1. Employee. The term "Employee" shall mean any eligible worker who shall have accepted the terms hereof in the manner provided, and references to he, him or his shall include she and her.

Section 2. Trust Fund. The term "Trust Fund" shall be con-

strued to mean all money, securities, and other property held by the Trustees under the terms of this Trust Agreement.

Section 3. Market Value. The term "market value" and all similar or parallel expressions mean current market prices or quotations if

JEWEL RETIREMENT ESTATES

deemed by the Trustees fairly to reflect sound market values; but otherwise all such terms mean fair market value as determined by the Trustees. All such determinations of price or value by the Trustees, made in good faith, shall be final and binding on all parties.

Section 4. Deposits. Amounts paid into the Trust Fund by Employees are designated as "deposits."

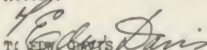
Section 5. Contributions. Amounts paid into the Trust Fund by the Company are designated as "contributions."

Section 6. Company. The word "Company" as used herein means

Jewel Tea Co., Inc., a New York corporation, its predecessors and subsidiaries.

IN WITNESS WHEREOF, the party of the first part and the corporate trustee have caused these presents to be executed by their duly authorized officers or agents and their corporate seals to be hereunto affixed, and the individual trustees have hereunto set their hands and seals the day and year first above written, and the parties of the second part shall from time to time execute and deliver to the party of the first part their acceptances hereof in the form herein indicated.

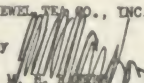
Attest:


T. EDWIN DAVIS
Assistant Secretary

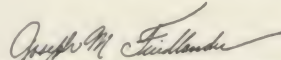
(Corporate Seal)

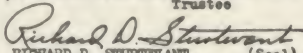
JEWEL TEA CO., INC.

By


M. E. HAFFNER
President

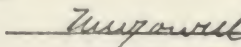
Party of the First Part


JOSEPH M. FRIEDLANDER (Seal)
Trustee

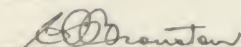

RICHARD D. STURTEVANT (Seal)
Trustee

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By


VICE PRESIDENT
Party of the Third Part

Attest:


Assistant Secretary

(Corporate Seal)

[Note: Your acceptance blank is found on the perforated card in the back of this booklet.]

For Your Records

It is suggested that when you sign the acceptance blank you also make a record of that acceptance for your personal use, showing date of acceptance, amount of salary deduction authorized, and beneficiary named. Keep this record in a safe place with your other important personal papers. This suggested record is in addition to the stub of the perforated acceptance card, which provides similar information. The stub of the acceptance card should remain attached to this booklet.

